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**City of Saratoga Springs
Sales and Use Tax Study
April, 2001**

kpmg LLP

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I INTRODUCTION AND EXECUTIVE SUMMARY

The City of Saratoga Springs ("CoSS" or "City") requested KPMG to prepare an analysis of the City's sales tax collections under 1) its current revenue sharing arrangement with Saratoga County ("County") and 2) under an arrangement with the County whereby CoSS might opt out of this and receive one half of the three percent County sales tax for sales that take place within CoSS boundaries. The objective of this analysis is to provide CoSS with sufficient information to make the decision whether to:

- A) Opt out of the current arrangement;
- B) Stay in the current arrangement; or
- C) Sponsor further analysis of the issue.

KPMG LLP's analysis of the City's sales tax collection was prepared by KPMG's Economic Consulting Services group. Herein we provide the results of our analysis. Our findings are based on financial and factual information provided by:

- CoSS Office of the Mayor;
- CoSS Finance Department;
- CoSS Planning Department;
- Saratoga County Treasurers Office;
- Saratoga County Chamber of Commerce;
- Capital District Regional Planning Commission;
- New York Department of Taxation and Finance;
- Independent Data Providers
 - Comprehensive sales database maintained by Claritas Inc., a preeminent market research data collection company.
 - Census data which includes the 1997 Census of Retail Trade and Census of Accommodation and Food Services; and Census of Other Services

Our analysis has also made adjustments to the independent data to account for the fact that certain of the sales recorded within CoSS are more likely to accrue to the County rather than CoSS even though they occur within CoSS borders (e.g. auto sales). These adjustments account for the fact that sales are recorded at point of delivery (which is usually the point of sale) but sales taxes on certain items accrue to jurisdiction of residence of the purchaser rather than point of delivery. These adjustments have generally reduced the share of taxable sales attributable to CoSS. In particular, this is true of the sales that are attributed to the automotive dealer industry within the County.

Our findings, which are based on these data and adjustments, suggest that *CoSS has between a 21.4 percent to 22.4 percent share of County taxable sales.*¹ This estimated range includes sales and use taxes and covers all industries. While previous analyses that we have reviewed only examine retail sales, which account for the largest share of

¹ This range comes from the use of 3 methods which are described in section III. Our preferred method suggests that CoSS has a 21.4 percent share of County taxable sales.

sales/use tax revenue (79 percent), our analysis also covers non-retail trade, which accounts for about 21 percent of total sales/use tax revenue. It is important to note that CoSS' share is significantly higher relative to the County in retail than non-retail sectors.

KPMG has also estimated that CoSS' share of 2000 County taxable sales and purchases should be at least 21.9 percent in order to collect as much revenue as is currently being collected through the current allocation method. Therefore in comparison to our best estimate of 21.4 percent, CoSS falls .5 percent short of the share necessary to produce as much revenue as the current allocation formula. Because all of the estimates from the methods we applied are very close, there is no clear-cut answer to the question of whether CoSS should opt out of the current arrangement at this time.

The following table presents the sales tax revenue received by CoSS for 1996-2000, and an estimate of what the City would have received if it had opted out of the current allocation method (assuming that CoSS has 21.4% of adjusted County taxable sales). The table also shows the difference between the actual revenues and revenues from the opt-out scenario.

Actual and Estimated Sales Tax Revenue 1996-2000

Year	Actual Sales Tax Revenue	Estimated Sales Tax Revenue under Opt-Out	Difference
1996	\$6,215,327	\$5,431,414	(\$783,913)
1997	\$6,398,320	\$5,805,326	(\$592,994)
1998	\$6,525,750	\$6,024,311	(\$501,439)
1999	\$6,820,736	\$6,496,257	(\$324,479)
2000	\$7,384,535	\$7,199,985	(\$184,550)

However, we also note that the threshold share at which CoSS should opt out of the current arrangement continues to decline as the County grows faster than the City. A simple extension of the current trend in CoSS' taxable sales share suggests that shortly, CoSS' share might be at the appropriate point where opting out will clearly result in higher revenue collected.

The results presented in this report rely on financial and factual information provided by Claritas, US Census Bureau, CoSS, and other organizations. While KPMG believes that the information used in this report is accurate, we have not independently verified the information in all cases and do not warrant its accuracy. Any modifications to this information could change the results and conclusions of the study.

This paper is organized as follows. Section II provides some information on the current allocation method, presents data for CoSS and the County, and identifies the issues of concern. Section III presents the analysis of the estimated CoSS share of taxable sales revenue that will provide the estimates that can be used to determine if CoSS will benefit by opting out of the current allocation method.

II OVERVIEW OF CURRENT ALLOCATION METHOD

The purpose of this section is to present the relevant data and to outline the issues the City should consider in its decision on opting out of the current sales and use tax system. First we describe the current allocation method and then present the data that has a significant influence on CoSS's share of revenue.

Allocation

The current allocation method is based on a formula that was negotiated by CoSS and the County in 1997. The formula assigns 20 percent of first \$20 million in County tax revenue to COSS. The amount above \$20 million is divided in half with 50 percent going to the County and the other 50 percent divided into two halves. These two halves are then allocated to CoSS based on population and value of real property.

$$\text{CoSSshare} = (.20 * \$20\text{M}) + [(\text{CntyTot} - \$20\text{M}) * .25 * \text{Pop}\%] + [(\text{CntyTot} - \$20\text{M}) * .25 * \text{Prop}\%]$$

Where:

CoSSshare = dollar amount of County sales/use tax receipts received by CoSS
 CntyTot = total dollar amount of sales/use tax received by the County
 Pop% = CoSS's percent of total County population
 Prop% = CoSS's percent of total County value of real property

Population

Table 1 presents CoSS and County population figures.

Table 1
CoSS and County Population

Place	1990	1995*	2000*	2010*	Growth 1990-	Growth 1995-
					2000	2000
Saratoga County	181,276	190,394	198,917	213,518	9.7%	4.5%
Saratoga Springs	25,001	25,352	25,715	25,973	2.9%	1.4%
CoSS % of Count	13.8%	13.3%	12.9%	12.2%		

*Estimates from Capitol District Regional Planning Commission, May 2000.

Table 1 shows that CoSS's population rate of growth is slower than that of the County and its relative share of total County population is declining. Given that the allocation method relies on population as an important determinant of CoSS sales tax revenue, there will continue to be downward relative pressure on CoSS share of sales tax revenue.

Sales Tax Revenue

Table 2 below depicts the sales/use tax revenue received by CoSS and the County. Also shown is CoSS share of County sales tax revenue and total County taxable sales.

Table 2
Actual Sales Tax Revenue and
Total Taxable Sales and Purchases

Year	Actual City Sales Tax Income*	Actual County Sales Tax Income*	CoSS Share	Saratoga County Taxable Sales & Purchases ²
1996	\$6,215,327	\$50,847,771	12.2%	\$1,694,925,700
1997	\$6,398,320	\$54,348,259	11.8%	\$1,811,608,633
1998	\$6,525,750	\$56,398,348	11.6%	\$1,879,944,933
1999	\$6,820,736	\$60,816,607	11.2%	\$2,027,220,233
2000	\$7,384,535	\$67,404,768	11.0%	\$2,246,825,600

Source: CoSS Department of Finance (obtained from Saratoga County Treasurers Office, March 9, 2001)

While CoSS sales/use tax revenue has been rising slowly since 1996, CoSS' share of total County sales/use tax revenue has been declining. This pattern is consistent with the fact that County population has been rising roughly three times faster than CoSS' population over the last 10 years. This has resulted in a slow decline in CoSS' population share. From the table it can be determined that CoSS sales/use tax revenue grew only 18.8 percent for the period 1996-2000 while the County sales/use tax revenue grew 32.6 percent.

Issue of Opting Out of Allocation Method

Given these trends in the data and the influence they have on CoSS' share of sales and use tax revenue, CoSS has requested that KPMG collect information and provide analysis which will elucidate the question of whether CoSS might collect more sales and use tax revenue if it were to opt out of the current allocation method. KPMG was informed by CoSS that if it opts out, CoSS would be entitled to receive 1.5 percent of taxable sales and purchases that occur within CoSS. (This is one-half of the three percent current County sales/use tax).³

² Total taxable sales and purchases is derived by dividing actual County sales/use tax revenue by three percent.

³ While CoSS is certain that it has the right to receive at least half of the three percent sales tax revenue that occurs within its borders, there is a legal question if it would be entitled to receive an additional share of the County's 1.5 percent if the County apportions it to jurisdictions on a proportional basis. The resolution of this question is beyond the scope of KPMG's work.

KPMG approached this task by determining the amount of taxable sales and purchases and the percent of the County total that would need to occur if CoSS were to opt out of the current allocation and still collect at least as much sales and use tax revenue as under the allocation formula. Table 3 below presents the amount and share of the County's taxable sales and purchases that would have needed to fall within the City's sales and use tax base in order for CoSS to have achieved the same revenue.

Table 3
CoSS Share of Taxable Sales/Purchases for
Opt Out to Make Sense⁴

Year	Taxable Sales City must Generate	Share of County taxable sales/purchases that will provide same income as allocation formula
1996	\$414,355,133	24.5%
1997	\$426,554,662	23.6%
1998	\$435,050,000	23.1%
1999	\$454,715,733	22.4%
2000	\$492,302,333	21.9%

The above table indicates that CoSS's share of total taxable sales and purchases that equates what CoSS receives from the allocation formula to the amount it would receive should it opt out of the agreement, has been declining. For 2000, CoSS would need to generate 21.9 percent of total County taxable sales and purchases in order to achieve the same revenue as under the current allocation formula. If CoSS's share was above, then it would collect more revenue under the 'opt out' option. If CoSS's share was below, then it would collect less revenue than under the current allocation formula.

The share of City sales then is the critical number that we are seeking to determine. The next section presents a few methods to determine this share.

⁴ The taxable sales the City would need to generate is derived by dividing the current allocation amounts given in Table 2 above by 1.5 percent. The share of County taxable sales/purchases is then the result of dividing taxable sales City must generate by the total County taxable sales/purchases provided in Table 2.

III Estimates of CoSS' share of Taxable Sales Revenue

In order to make a reasoned determination of whether to opt out of the current allocation method, it is critical to get a reasonable estimate of CoSS' share of the County's sales and use tax base. In this section, KPMG estimates that share using alternative methods and sources of data.

KPMG estimated CoSS' share by analyzing retail trade data. KPMG also conducted a more thorough analysis using both retail trade and non-retail trade data. This is important because a significant portion of sales and use tax revenue is derived from sales and use taxes that are levied on non-retail trade industries. Non-retail activity accounts for 21 percent of total sales and use tax revenue for the County.

Retail Trade Analysis

KPMG reviewed retail trade data to determine the percent of retail trade that is conducted within CoSS. The data was obtained from Claritas, Inc.⁵ and the US Census Bureau. For the purposes of this study retail trade is defined as taxable sales to end consumers for both goods and services.

To assist in determining what is taxable retail trade, KPMG reviewed a state publication entitled "A Guide to Sales Tax in New York State". This document is published by New York's Department of Taxation and Finance. KPMG used this document to determine which types of businesses would be considered to have taxable sales and services under New York law. Using this information, KPMG purchased year 2000 sales data from Claritas Inc. for the County and CoSS by Standard Industrial Classification (SIC) code.⁶ Claritas sales data for CoSS is determined by taking individual City business' addresses and geocoding them (applying longitude and latitude coordinates) and matching the geocodes according to the defined geographical boundaries of the City. Sales are either determined directly through sampling actual businesses or estimated based on national sampling.⁷

KPMG also examined the 1997 Census of Retail Trade, Census of Food Service and Accommodations, and Census of Other Services for comparison purposes. These publications reported sales data for the County and CoSS. The Claritas data is more exhaustive than the Census data, as it includes more businesses that would be required to remit sales and use tax. The Claritas data include many more service SIC codes, several of which are taxed under New York law.

⁵ Claritas Inc. is a national provider of demographic and marketing data.

⁶ Sales data is collected by SIC code not individual businesses; business data is aggregated by primary SIC code.

⁷ See Appendix I "Claritas Business-Facts Methodology", June 1999.

Table 4 presents the percentage of retail trade originating in CoSS using both Claritas and Census data. These data are presented on an adjusted and unadjusted basis. The adjustment lowers the CoSS share considerably and is due to what KPMG believes is an overstated amount for the retail sector pertaining to autos, boats, motorcycles and recreational vehicles. The reasoning for making an adjustment to this sector is described below.

Table 4
CoSS Share of Retail Trade (Unadjusted and Adjusted)

Source	Unadjusted Share of County	Adjusted Share of County*
Claritas--Taxable Sales/Services (2000)	25.1%	22.8%
Census-- Retail Trade, Food Services, Accommodations (1997)	27.1%	23.5%

*See section on adjustments

According to these two sources, CoSS has between a 25 percent and 27 percent share of County retail sales (before adjustments.) If the analysis were to stop here, the evidence might suggest that CoSS should opt out of its current arrangement since these percentages are significantly higher than the 21.9 percent floor share that was shown in Table 3 above. However, when KPMG adjusted these data to account for the fact that some sales are taxed according to the residence of the purchaser rather than point of delivery, the decision is less clear. The logic of making adjustments is described below.

Adjustments

The retail sales analysis needs to be adjusted to take into consideration the effects of New York sales tax law that requires tax on some sales to be paid to the jurisdiction of the residence of the purchaser rather than point of delivery.

In New York, almost all goods and services are taxed at the point of delivery. For the vast majority of sales this occurs at the point of sale where the final consumer leaves a store with merchandise or has a service performed at the place of business. Thus, for most transactions, the sales reported by Claritas and Census for CoSS can be assumed to be taxable in the City. The only major exception to this is big-ticket items that are registered with the state.⁸ Such items include automobiles, boats, motorcycles, and recreational vehicles. These items are taxed according to the location where they are registered (in most cases this is the purchaser's residence).

This factor can have a significant impact on the analysis. In this situation, even though an automobile might be sold at a dealership within the City, the sales tax would not go to the City if the purchaser did not reside in the City. Thus, the sales figures reported by

⁸ Other items such as major appliances and building products that are delivered are also exceptions. KPMG did not estimate adjustments for these as the dollar amounts were not significant.

Claritas and Census need to be adjusted to reflect the share of retail sales that CoSS can expect to derive as direct sales tax revenue from CoSS residents.

Before making such an adjustment, it is important to also account for the fact that imbedded in the sales data that are reported by Claritas and Census are sales for typical service work performed on autos, boats, motorcycles, etc. The service portion of total sales is taxed at point of sale, and therefore it is only the amount related to actual sales of registered items that needs to be adjusted. KPMG performed an analysis of automobile dealerships to determine the proportion of sales that are typically related to service. This analysis required that we review automobile dealers' Forms 10-K, which are documents reported to the SEC for publicly traded companies, and collect data on the proportion of their sales that are derived from service and parts. This percent was also applied to boats, motorcycles, and recreational vehicles sales. Our analysis showed that an average of 11.3 percent of total sales was related to service work. KPMG adjusted the remaining 88.7 percent of total taxable sales figures from Census and Claritas for automotive dealers so that they were allocated to CoSS based on its population share; which was in 2000 estimated at 12.9 percent of total County population.⁹ Table 5 presents a description of the magnitude of the adjustments.

Table 5
CoSS and County Dealer Sales
(\$000,000s)

Source	County	CoSS		CoSS Adjuste	
		Unadjusted	CoSS Share	CoSS Adjuste	Share
Claritas (2000)	468.1	115.9	24.8%	67.6	14.4%
Census (1997)	494.4	133.1	26.9%	71.8	14.5%

The share of dealer sales for autos, boats, motorcycles, and recreational vehicles based on Claritas and Census data dropped from 24.8 percent to 14.4 percent and 26.9 percent to 14.5 percent respectively. Table 4 shows that this adjustment had the effect of lowering the percentage of retail sales for the City by 2.3 percent when using Claritas data and 3.6 percent when using Census data. This component of the sales tax base is critically important, because according to recent figures from the NY Department of Taxation and Finance, approximately 18 percent¹⁰ of County taxable sales and purchases was derived from auto, boat, motorcycle, and recreational vehicle dealers.

Note that while the adjustments are intended to produce a more accurate estimate of the retail percentage than the unadjusted retail percentage, additional research into this issue might provide an even more accurate estimate. For example, rather than using an average from national automobile dealerships, CoSS might want to speak directly with

⁹ From Capitol District Regional Planning Commission, May 2000.

¹⁰ Derived from The NY Department of Taxation and Finance Office of Tax Policy Analysis annual reports that depict total taxable sales and purchases by County; www.tax.state.ny.us/Statistics/Stat_Sales.htm.

automotive and boat dealers in the City and ask them the percent of total sales related to service and parts.¹¹ In addition, this adjustment does not consider the amount of sales tax that would be derived from City residents that purchase autos, boats, motorcycles, and recreational vehicles outside the County. If a CoSS resident makes a purchase outside the County, then CoSS would receive sales tax revenue from these purchases under the "opt out" option. Conversely, though some of the sales that are currently attributed to the County may really be sales that should accrue to other jurisdictions whose residents purchased autos in Saratoga County. Only further research that examines residence of purchasers from County dealerships can provide a more accurate estimate of sales tax revenues from these motor vehicle dealers.

See Appendix II and III for detailed Claritas and Census data used in the retail analysis.

Analysis Including Additional Non-Retail Industries

To gain a more accurate understanding of the amount of taxable sales and purchases originating in CoSS, KPMG enhanced the retail analysis above to take into account non-retail SIC codes that provide taxable sales and purchases.

Other Taxable Sales and Purchases

The focus on taxable sales based on retail goods and services (businesses that are classified under the retail SIC codes and service SIC codes) does not capture all the taxable sales and purchases that take place in the City and County. There are other important issues that must be considered when measuring total taxable sales and purchases: these issues relate to measuring the revenue from utilities, non-retail businesses, and how to capture the use tax.

- Utilities--Utilities for this study include the following services: electric, gas, sanitation, and communication. These services are subject to sales/use tax and are taxed at the point of delivery, the location of the residence or business. Energy services to residential properties are, however, exempt from the County 3 percent sales tax.
- Non-Retail--The retail trade analysis above focused on taxable sales that could be readily identified by the primary activity SIC code. For example, the company that does 85 percent of its business through retail stores would have all of its sales figures listed under a retail SIC code. However the above analysis does not capture other taxable sales by predominantly non-retail businesses. For example, a wholesaler of parts might operate a retail store and collect sales tax but would

¹¹ KPMG has been told by CoSS' City planner that he has been informed that some auto dealerships have significant percent of total sales relating to service. In addition the Saratoga County Chamber of Commerce through a series of phone calls determined that approximately 32.5 percent of auto sales by dealerships within the City are to City residents.

be listed under the wholesale SIC codes. Because the retail analysis focuses solely on retail and services SIC codes, sales of this type were not captured.

- Use Tax--A business located in New York must pay a use tax to the jurisdictions of New York on purchases of goods it makes from outside the state that are delivered into the state. Part of the actual tax revenue to the County and the City comes from the use tax. The use tax is levied at the same rate as the sales tax. This tax is captured implicitly by the retail analysis but needs to be specifically treated in the analysis of firms that are non-retail businesses.

Analogous to the retail analysis, sales can be used as a means of determining the share of taxable sales and purchases for non-retail businesses.¹² Using Claritas data, KPMG estimated that in the year 2000, CoSS had 20.9 percent of total County taxable sales and purchases by businesses operating under the non-retail SIC codes. These SIC codes pertain to construction, manufacturing, utilities, non-retail services, and wholesale. This share is lower than the share based on retail and suggests that the retail percent is overstating the share of total County taxable sales and purchases originating from CoSS. See Appendix II for detailed Claritas non-retail data.

KPMG explored three alternative methods for using the combined adjusted retail and non-retail sales data to arrive at a more accurate estimate of the percent of County taxable sales and purchases originating within CoSS.

Method 1- Combining Retail and Non-Retail Sales

KPMG combined the results from the retail estimate with the results from the non-retail estimate to arrive at a combined estimate. KPMG totaled the adjusted sales figures based on Claritas data for all SIC codes for the City and County and then divided the City sales by the County sales. *The resulting estimate is that 21.9 percent of total County taxable sales and purchases originate within CoSS in the year 2000.*

Method 2-Weighted Percent by Retail and Non-Retail

The NY Department of Taxation and Finance Office of Tax Policy Analysis produces an annual report that shows total taxable sales and purchases by County and by SIC code grouping.¹³ KPMG used these reports to estimate CoSS' share based on the adjusted Claritas data.

KPMG estimated that the adjusted share of taxable sales and purchases originating from CoSS was 23.9 percent for retail businesses and 20.9 percent for non-retail. The reports from the state, when combined over the years 1994-1998, indicated that the weighted average of total County taxable sales and purchases derived from retail and non-retail businesses was 79.2 percent and 20.8 percent respectively. Accordingly, the retail and

¹² For energy services, sales data were allocated based on the overall percent of total business in the City. For communication services, sales data were allocated 50 percent by overall percent of total business in the City and 50 percent by CoSS percent of total County population.

¹³ These reports can be viewed at www.tax.state.ny.us/Statistics/Stat_Sales.htm

non-retail percentages can be weighted to obtain an overall percent of total County taxable sales and purchases originating from CoSS. *The weighted share of total adjusted taxable sales and purchases that originate in CoSS is 22.4 percent in the year 2000.*¹⁴

Method 3-Weighted by SIC (Industry) Grouping

KPMG used the reports from the New York Division of Taxation to further refine the estimate based on the share of contribution of taxable sales and purchase by SIC code (Industry) groupings.¹⁵

The State reports show the total taxable sales and purchases for the County by industry group. As stated above, KPMG aggregated the reports for the period 9/95 to 8/98. These aggregated reports were then used to determine the share of total taxable sales and purchases derived from industry groupings based on SIC code. The SIC code groupings were defined by the State in their reports. For example, the State reports indicated that for the year 2000, wholesale trade provided 7.5 percent of total County taxable sales and purchases. KPMG then derived the dollar amount of taxable sales and purchases for this SIC code by multiplying this share times the 2000 total taxable sales and purchases for the County. KPMG then used this dollar amount and multiplied it by the share of sales originating in CoSS as determined by the retail and non-retail analysis to arrive at the dollar amount of taxable sales and purchases originating from CoSS for wholesale trade. This process was duplicated across all SIC code groupings to arrive at the total dollar amount of taxable sales and purchases originating in CoSS. *From this analysis, KPMG determined that the overall share of taxable sales and purchases originating in CoSS in 2000 is 21.4 percent. Note that this calculation makes use of the adjustments for the automotive and related sectors described above for the other estimates.* Table 6 provides a summary of this analysis at the SIC code grouping level.

¹⁴ Using 2000 weights for the shares of retail and non-retail.

¹⁵ KPMG grouped the industry data according to the industry groupings reported by the state.

Table 6
Weighed SIC Code Grouping Analysis Summary

SIC Code Grouping	Description	% of Total Cnty Taxable Sales*	2000 City Local Sale (\$000,000s)	2000 County Local Sale (\$000,000s)	City % of Cnty
15, 16, 17	Construction	2.4%	54.8	7.5	13.8%
20-39	Manufacturing	4.1%	92.9	37.8	40.7%
48	Communications	3.5%	78.1	14.0	18.0%
49	Electric, Gas, Sanitary Svcs	3.2%	72.3	16.6	23.0%
50-51	Wholesale Trade	7.5%	169.6	15.6	9.2%
5210-5271	Building Materials	5.9%	132.0	23.5	17.8%
5310-5399	General Merchandise	9.8%	219.2	34.0	15.5%
5410-5499	Food	7.8%	175.0	36.1	20.6%
	Auto, Boat, Motorcycle, Rec. Vehicle Dealers, and Gas Stations	18.4%	413.3	59.7	14.4%
5610-5699	Apparel	2.6%	58.0	20.6	35.4%
5710-5736	Furniture	2.9%	65.8	12.0	18.2%
5810-5813	Eating and Drinking	7.6%	170.0	67.4	39.7%
5910-5999	Miscellaneous Retail	9.0%	201.7	47.1	23.3%
7010-7041	Hotels	1.7%	38.8	28.0	72.0%
7210-7299	Personal Services	0.4%	8.1	1.2	14.3%
7310-7389, 7476, 7914	Business Services	3.1%	70.1	10.1	14.4%
7510-7549	Auto Repair, Parking	3.3%	74.2	12.4	16.7%
7620-8999	Other Services	2.8%	63.0	16.3	25.8%
1-9	Ag., Mining, Transp., Govt.	1.0%	23.0	4.8	20.9%
999999	Unclassified by Industry	3.0%	66.9	15.4	23.0%
		100.0%	2,246.8	480.0	21.4%

*Derived from NY Dept of Taxation and Finance, Office of Tax Policy Analysis for 9/94 through 8/98

Method Summary Table

Table 7 presents a summary of the results of the shares derived using the three methods.

Table 7
Overall Weighted and Adjusted Estimated
CoSS Share of Taxable Sales and Purchases

Method	CoSS Percent of County
Method 1—Combining Retail and Non-Retail Sales	21.9%
Method 2—Weighted by Retail and Non-Retail Sales	22.4%
Method 3—Weighted by SIC Code Grouping	21.4%

Risks

The calculations that we have made all attempt to identify the appropriate share of taxable sales that take place within CoSS boundaries. These estimates represent the base of taxable sales that CoSS should be able to receive from a 1.5 percent tax if it were to opt out of the current allocation agreement. However, there is some uncertainty as to whether CoSS would realize this amount of revenue since there are certain conditions that would need to be fulfilled for this to occur. For example, CoSS would have to rely on the County or State to properly identify the businesses that are within CoSS's borders and make the appropriate distributions. There are additional administrative issues involved in adopting such a new policy and it is beyond the scope of this analysis to investigate those issues in detail. But the City should certainly consider the question as to whether implementation could be problematic.

IV CONCLUSION

Based on the analysis that KPMG has performed, this study is not definitive that CoSS would collect more sales and use tax revenue by opting out of the current allocation agreement with the County. Table 8 provides a summary of the estimated amount of sales and use tax revenue CoSS would receive under the three methods.

Table 8
Estimated Amount of Sales and Use Tax
Revenue for 2000 Under Opt Out

Method	2000 CoSS Sales/Use Tax Revenue Under Opt-Out	2000 Difference from Allocation Method
Method 1—Combining Retail and Non-Retail Sales	\$7,375,274	(\$9,261)
Method 2—Weighted by Retail and Non-Retail Sales	\$7,546,273	\$161,738
Method 3—Weighted by SIC Code Grouping	\$7,199,985	(\$184,550)

As of year 2000, it appears that the current allocation method may provide slightly higher revenue (\$7,384,535) than CoSS would receive by opting out. KPMG believes Method 3 provides the most reliable estimate as it is based on actual historical County taxable sales and purchases origination data by SIC code.

Our preferred method (3) suggests that the current agreement provides \$184,550 more than CoSS would receive should it opt out. Method 2 suggests a net gain of \$161,738, while method 1 suggest a small revenue loss. To the extent that CoSS population growth and property tax assessment growth lag the County growth rates, CoSS will collect more revenue sooner if it were to opt out of its current agreement with the County.

Table 9 presents the sales tax revenue received by CoSS for 1996-2000, an estimate of what the City would have received under the opt-out scenario, and the difference between the actual revenue and estimated revenue. The results presented in the table assume CoSS had approximately 21.4 percent of adjusted County taxable sales (method 3) throughout the entire period.

Table 9
Actual and Estimated Sales Tax Revenue 1996-2000

Year	Actual Sales Tax Revenue	Estimated Sales Ta Revenue under Opt-Out	Difference
1996	\$6,215,327	\$5,431,414	(\$783,913)
1997	\$6,398,320	\$5,805,326	(\$592,994)
1998	\$6,525,750	\$6,024,311	(\$501,439)
1999	\$6,820,736	\$6,496,257	(\$324,479)
2000	\$7,384,535	\$7,199,985	(\$184,550)

The results above indicate that the difference between actual sales and use tax revenues and the estimated amount under an opt-out arrangement is decreasing.

Recommended Additional Analysis

There are two areas of additional analysis that could add some additional insight into the decision to opt out of the current agreement. The first would be a further analysis of the issue of the adjustment that was made to automotive, boat, motorcycle, and recreational vehicle dealer taxable sales revenue. This adjustment is responsible for reducing the CoSS share of total County taxable sales by about 2 percent (from 23.4% to 21.4% -- using method 3). This is enough of a difference to change the evidence from suggesting CoSS should not opt out towards suggesting it should. Therefore, further review of the issue these sales is warranted given that over 18 percent of County taxable sales are derived from this sector.

The second focuses on the projection of the break-even threshold. As discussed above, because the City's population growth has been and may continue to be slower than the County's, the break-even threshold taxable sales percentage has been declining and may continue to do so. Table 10 depicts the estimated declining break-even threshold for 2001-2004 based on the rate of decline witnessed in the 1996-2000 period.

**Table 10
Projected Break-Even Threshold¹⁶**

Year	Share of County taxable sales/purchases that will provide same income as allocation formula
2001	21.4%
2002	20.9%
2003	20.4%
2004	20.0%

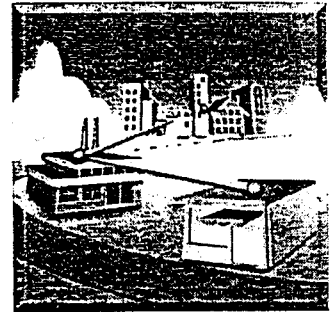
Assuming the relative share of sales by SIC code remain the same, the City might be able to reach the break-even threshold in 2001 and surpass it in 2002. However, this finding would require further analysis by KPMG in order to refine the projection and conduct some specific scenarios showing when the threshold for opting out would result in greater revenues for the City. We would suggest waiting for the new Census population data to be released before performing a more precise analysis.

A final issue is that of updating these calculations when a determination is made as to whether the County would be required to remit some of its 1.5 percent share to CoSS in

¹⁶ The projection is based on the average rate of decline for the period 1996-2000.

the event that CoSS chooses to exercise its right to opt out. This is a legal determination and is beyond the scope of KPMG's work.

We believe that some further investigation into these two issues is warranted, especially the auto sales tax issue.

Appendix I--Claritas Methodology

Marketing Essentials

**Claritas Business-Facts®
Methodology**

June 1999

Claritas Inc.
1525 Wilson Blvd.,
Suite 1000
Arlington, Virginia
22209

Base File Creation and Sources

Business-Facts® is developed using the infoUSA™ (formerly American Business Information, ABI) data file as its base source. The infoUSA/ABI database is well known in the business-to-business industry for accuracy, coverage, deliverability, and depth of information.

Beginning with Yellow Pages and White Pages phone directories, infoUSA collects data (number of employees, annual sales, SIC codes, and much more) on more than 10 million U.S. businesses. Beyond these two sources, infoUSA mines its base data from federal, state, and municipal government blue pages, annual reports for publicly-held companies, and industrial and regional business journals. Specific input data sources include:

- Yellow Pages

- Business and standard listings in the white pages
- Annual reports
- State manufacturers directories
- Industry directories
- City directories
- Big business directories
- *The Wall Street Journal*
- Major metropolitan newspapers
- *IPO Reporter*
- *NASDAQ Fact Book*
- *American Stock Exchange Facts Book*
- *Standard & Poors Stock Guide*
- County courthouse records for new business formations

After compiling the base file, infoUSA runs the business information through several routines to ensure that the final product will be dependable for use by salespeople and marketers interested in using its contents for mailing campaigns. For instance, infoUSA processes the business file through Group 1 CASS Certified Software for address and ZIP code verification. Furthermore, each month infoUSA runs the files against the National Change of Address (NCOA) and the Delivery Sequence files to ensure that business addresses are current and accurate.

Telephone Verification/Enhancement

infoUSA calls existing and new businesses at least once each year to verify information, collect additional data, and correct suspected errors. At least four attempts are made to contact each business. Large businesses (i.e., those with 100 or more employees) are phoned twice a year to verify their information. This activity results in 17 million out-bound telephone calls each year by infoUSA. Telephone verification concentrates on the following data elements:

- Address
- Name of owner or manager
- Number of employees
- Primary business activity
- Fax number

Enhancement of the Base File by National Decision Systems (NDS)

All of the data compilation, validation, and verification techniques outlined above result in a robust, thorough base file for use in creating the Business-Facts database. However, when the base file is delivered to National Decision Systems (NDS), a sister company of Claritas, additional enhancements are made to improve matching capabilities and provide greater integration into a range of applications, like mapping. For instance, employment data, sales figures, and point/geo codes (latitude, longitude, census tract, etc.) remain incomplete when NDS receives the data. The database development team at NDS adds value to the business data by populating fields that are left empty by infoUSA, providing the most precise point coding and creating an improved SIC roster.

Below are descriptions of the most significant enhancements made by NDS to the infoUSA base file in the creation of Business-Facts. More complete information follows.

- NDS ensures that 100 percent of the business establishment records are appended with the most accurate latitude and longitude coordinates available. In addition, tract and block group assignments are made using a point-in-polygon routine.
- The only actual sales volume available is for publicly-held companies. Therefore, only a minority of businesses on the infoUSA base file has sales volume data when the file is delivered to NDS. NDS models sales volume based on actual data from a national sample of approximately six million businesses to provide most of the absent data. This enhancement results in virtually all records having an estimated sales volume, except for government records.
- infoUSA provides local employment figures for approximately 80 percent of US businesses. From this actual employment information, the NDS employment model estimates a "most likely" number of employees for the remaining 20 percent of US businesses.

More on the Point Coding Enhancement

For geocoding purposes, Business-Facts uses spatial addresses. Mailing addresses are carried on the master version of Business-Facts as well. These addresses are confirmed and improved in the production cycle. infoUSA uses the USPS National Change of Address database (monthly) and the USPS Delivery Sequence file to verify the validity of addresses. NDS then assigns the most accurate latitude and longitude, based on the qualified, verified address. The resulting Business-Facts database is 100 percent lat/long coded, with the most accurate level of point geocoding the input address allows.

The latitude and longitude coding process assigns lat/long codes to every new, geographically changed, or imprecisely coded record (from the previous release) on each Business-Facts release. If there is no change to the address record, then the lat/long is perpetuated.

For records with 500 or more employees, the NDS staff investigates large employment locations without precision lat/long assignments. NDS uses current software and phone calls if necessary to ascertain the actual location of these records. Business-Facts' lat/longs are assigned to five decimal places of precision, which means this calculation is accurate to within approximately 75 feet.

Tract and block groups are assigned using a point-in-polygon routine. The record is assigned its tract/block group based on its spatial dispensation within a tract/block group's boundary. The block group's boundaries are built by NDS from the US Census Bureau's TIGER street files.

Employee Count Data

infoUSA provides local employment figures for approximately 80 percent of US businesses. With this actual employment information, NDS models employee counts for the remaining 20 percent of US businesses without employment figures. The NDS employment model estimates a "most likely" number of employees for records.

The primary determinant for achieving the objective of a "most likely" number of employees is the distribution of businesses by size range. The starting point is a cross-tab detailing the number of businesses and the number of employees for each NDS Standard Industrial Classification (SIC) code by the following size ranges: 1-4, 5-9, 10-19, 20-99, 100-499, 500-999, 1000-4999, 5000+. Depending on the percentage distribution of employment within a SIC code group, the industry is included in the appropriate strata for estimation purposes.

Secondly, if the SIC has a propensity to have large businesses, little or no modeling will be done in the SIC, since the actual number of employees will be present in most large employers' records.

Although it is difficult to predict the absolute effect on the Business-Facts file of modeling employee counts on the number of total employees, preliminary estimates suggest that this model will increase the number of employees by five to seven percent. If so, the outputs from this model will increase the overall number of employees in the Business-Facts database by roughly one million or .008 percent. It is important to remember that this model is only applied to records where no actual employment figure exists. And its use, moreover, provides users of the Business-Facts database with better coverage and more information for modeling and other analytical applications.

Sales Volume Data

infoUSA provides actual sales information only for publicly-held companies. Sales figures, therefore, for all other companies must be estimated. The infoUSA model uses aggregated sales divided by the aggregated number of employees by SIC to arrive at sales per employee. This aggregated method does not factor in the distribution of employees by SIC, and may allow large corporations to have a disproportionate effect on the sales-per-employee estimate.

In comparison, NDS models sales volume based on actual data from a national sample of approximately six million businesses. The model is calculated at the four-digit Standard Industrial Classification (SIC) code level with the results applied to those records for which no actual sales volume figures exist. This enhancement results in virtually all records having an estimated sales volume, except for government records. However, since one number is being applied to remaining businesses in a four-digit SIC industry, analyzing a business as a member of a sales range is more appropriate than looking at the specific sales volume for that business.

As with the employment information, Claritas' clients will benefit from the combined actual/modeled sales data with better coverage and more information for modeling and other analytical applications.

SIC Rosters

Business-Facts uses a universe of 1,600 SIC codes compared with over 10,000 SIC codes in the original infoUSA file. NDS shortens the infoUSA roster by combining unpopulated, or little populated codes into their more general SIC category codes. In the SIC consolidation process, the first four digits of the SIC remain intact and the last two digits are filled with zeroes.

For some Claritas data delivery systems (e.g., Compass and Claritas Connect) and project work, the original infoUSA SIC code hierarchy has been maintained. In other platforms (e.g., Infomark and BusinessIQ), the NDS SIC codes are more appropriate.

Data Elements

The Business-Facts database includes the following data elements:

Business Name*	Primary SIC Code	County Code
Address	Secondary SIC Codes*	Tract Code
City	Employment Here*	Block Group Code
State	Employment Total	Foreign Ownership Flag
ZIP Code	Sales Volume Here	Deliverability Flag
ZIP+4*	Sales Volume Total	Recency Code
Telephone Number	Location Type	Franchise/Chain/Brand/Specialty*
Executive Name	Company Type	Year 1 st in Yellow Pages
Executive Gender	Fortune Flag	Business at Home Flag
Latitude	Industry Size Indicators	Stock Exchange Label
Longitude	Stock Exchange Code	Stock Exchange System

Note: Not every data element is delivered through every Claritas software platform.

Latitude, longitude, block group code, tract code, County code, and ZIP+4 are elements added to the infoUSA base file in order to create Business-Facts. Moreover, sales volume here is created by NDS with a proprietary model and is appended to the business records.

These data elements (indicated with a * in the previous data elements list) are enhanced by NDS as follows:

Data Element	Enhancement
Business Name	Business names, particularly chain names, are standardized for uniformity.
ZIP+4	ZIP+4s are corrected when necessary.
Primary/Secondary SIC Codes	infoUSA's 10,000 SIC categories are consolidated into NDS's 1,604 SIC categories. This enhancement reduces the number of poorly populated SIC codes that are too fragmented to constitute a market.
Employment Here	Actual employment is available on 78% of all records. The employment figures for the remaining records are estimated using NDS's proprietary model.
Franchise/Chain/Brand/Specialty	Besides the codes received from infoUSA, NDS builds additional codes based on client demand. An additional 300 codes for chain, franchise, and specialty codes result.
Linkage Consistency	Efforts are taken by NDS to ensure that all family records get the correct total sales and total employee information.

Business-Facts and NAICS

Following the implementation of the North American Industrial Classification System (NAICS), NAICS codes will be added to Business-Facts. When this happens, both SIC and NAICS codes will be included in the database for at least two years. This strategy should allow Business-Facts users ample time to adopt the new industry classification system and revise operational processes that currently depend on SIC codes.

Business-Facts is a registered trademark of Claritas Inc. BusinessIQ is a trademark of Claritas Inc. ©1999 Claritas Inc.

Appendix II—Claritas Data

SIC CODE	2000 City Local Sale (\$000,000s)	2000 County Local Sale (\$000,000s)	City % of Cnty
15 General Building Construction	72.2	403.4	17.9%
16 Heavy Construction	7.7	119	6.5%
17 Construction - Special Trades	25.7	244.2	10.5%
Total	105.6	766.6	13.8%
20 Food and Similar Products	44.7	71.3	62.7%
22 Textile Mill Products	0	17.7	0.0%
23 Apparel and Other Finished Prod	0	2.8	0.0%
24 Lumber and Wood Prod exc Furniture	0.1	10	1.0%
25 Furniture and Fixtures	0	5.9	0.0%
26 Paper and Allied Products	9.7	88.9	10.9%
27 Printing and Publishing	98.7	125.4	78.7%
28 Chemicals and Allied Products	0.4	23.8	1.7%
29 Petroleum Refining	0	4	0.0%
30 Rubber and Misc. Plastics	6.1	15.9	38.4%
32 Stone Clay Glass & Concrete Prod	7.2	10.4	69.2%
33 Primary Metal Industries	0.3	4.9	6.1%
34 Fabricated Metal Prod exc Machinery	26.8	69.3	38.7%
35 Industrial and Commercial Machinery	17	57.9	29.4%
36 Electronic/Electrical Equipment	26.8	40.6	66.0%
37 Transportation Equipment	0.7	2.8	25.0%
38 Control Photo Medical Optical Instr	0	18.2	0.0%
39 Miscellaneous Manufacturing	1.8	20.4	8.8%
Total	240.3	590.2	40.7%
48* Communications	3.8	20.9	18.0%
Total	3.8	20.9	18.0%
49* Electric/Gas/Sanitary Services	3.6	15.5	23.0%
Total	3.6	15.5	23.0%
50 Wholesale Trade- Durable Goods	26.9	326.9	8.2%
51 Wholesale Trade - Nondurable Goods	22.2	206	10.8%
Total	49.1	532.9	9.2%
4225 General warehousing and storage	12.0	31.3	38.3%
Total	12.0	31.3	38.3%
5211* Lumber and other building materials	16.5	84.4	19.5%
5231 Paint, glass, and wallpaper stores	4.4	17.5	25.1%
5251 Hardware stores	12.7	31.6	40.2%
5261 Retail nurseries and garden stores	1.1	23.6	4.7%

5271 Mobile home dealers	0.0	38.1	0.0%
Total	34.7	195.2	17.8%
5311 Department stores	21.4	136.8	15.6%
5331 Variety stores	0.7	6.2	11.3%
5399 Misc. general merchandise stores	0.2	0.7	28.6%
Total	22.3	143.7	15.5%
5411 Grocery stores	67.4	392.1	17.2%
5421 Meat and fish markets	14.0	18.6	75.3%
5431 Fruit and vegetable markets	2.0	9.2	21.7%
5441 Candy, nut, and confectionery stores	0.5	1.6	31.3%
5461 Retail bakeries	1.2	5.2	23.1%
5499 Miscellaneous food stores	7.7	23.5	32.8%
Total	92.8	450.2	20.6%
5511*New and used car dealers	45.8	299.1	15.3%
5521*Used car dealers	6.1	51.1	12.0%
5531 Auto and home supply stores	5.0	35.0	14.3%
5541 Gasoline service stations	5.6	40.1	14.0%
5551*Boat dealers	1.5	11.7	12.6%
5561*Recreational vehicle dealers	2.2	19.4	11.5%
5571*Motorcycle dealers	0.4	3.2	11.5%
5599 Automotive dealers, nec	1.0	8.5	11.5%
Total	67.6	468.1	14.4%
5611 Men's & boys' clothing stores	1.4	4.5	31.1%
5621 Women's clothing stores	1.1	5.9	18.6%
5632 Women's accessory & specialty stores	0.2	1.3	15.4%
5641 Children's and infants' wear stores	0.5	0.9	55.6%
5651 Family clothing stores	2.3	7.4	31.1%
5661 Shoe stores	5	10	50.0%
5699 Misc. apparel & accessory stores	2.9	7.8	37.2%
Total	13.4	37.8	35.4%
5712 Furniture stores	1.8	28.7	6.3%
5713 Floor covering stores	3.8	13.4	28.4%
5714 Drapery and upholstery stores	0.1	0.5	20.0%
5719 Misc. homefurnishings stores	1.5	9.1	16.5%
5722 Household appliance stores	1.7	6.7	25.4%
5731 Radio, TV, & electronic stores	1.1	7.2	15.3%
5734 Computer and software stores	11.1	53.8	20.6%
5735 Record & prerecorded tape stores	4.2	20.5	20.5%
5736 Musical instrument stores	0.9	4	22.5%
Total	26.2	143.9	18.2%
5812 Eating places	107.5	268.5	40.0%
5813 Drinking places	2.1	7.9	26.6%

	Total	109.6	276.4	39.7%
5921 Liquor stores		1.7	8.4	20.2%
5932 Used merchandise stores		1.7	6	28.3%
5941 Sporting goods and bicycle shops		2.8	9.8	28.6%
5942 Book stores		1.1	4	27.5%
5943 Stationery stores		0	6.1	0.0%
5944 Jewelry stores		1.7	4.7	36.2%
5945 Hobby, toy, and game shops		1.1	11.2	9.8%
5946 Camera & photographic supply stores		0	2.5	0.0%
5947 Gift, novelty, and souvenir shops		4.1	19.1	21.5%
5948 Luggage and leather goods stores		0	0	0.0%
5949 Sewing, needlework, and piece goods		0.1	1.6	6.3%
5992 Florists		1.9	9.2	20.7%
5993 Tobacco stores and stands		0.5	0.6	83.3%
5999 Miscellaneous retail stores, nec		16.2	57.7	28.1%
	Total	32.9	140.9	23.3%
7011 Hotels and motels		33.1	42.1	78.6%
7021 Rooming and boarding houses		0	0	0.0%
7032 Sporting and recreational camps		0.1	2	5.0%
7033 Trailer parks and campsites		0.2	2.3	8.7%
7041 Membership-basis organization hotels		0	0	0.0%
	Total	33.4	46.4	72.0%
7217 Carpet and upholstery cleaning		0.3	2.1	14.3%
	Total	0.3	2.1	14.3%
7334 Photocopying & duplicating services		0.3	4.5	6.7%
7342 Disinfecting & pest control services		1.2	2.5	48.0%
7349 Building maintenance services, nec		0.8	6.5	12.3%
7352 Medical equipment rental		0	0	0.0%
7353 Heavy construction equipment rental		0.6	1.7	35.3%
7359 Equipment rental & leasing, nec		3.2	22.9	14.0%
7372 Prepackaged software		0	1.3	0.0%
7375 Information retrieval services		0	0.1	0.0%
7377 Computer rental & leasing		0	0	0.0%
7378 Computer maintenance & repair		0	2.8	0.0%
	Total	6.1	42.3	14.4%
7513 Truck rental and leasing, no drivers		2.4	6.2	38.7%
7514 Passenger car rental		1	5.7	17.5%
7515 Passenger car leasing		0	0	0.0%
7519 Utility trailer rental		0	0.2	0.0%
7521 Automobile parking		0	0	0.0%
7532 Top & body repair & paint shops		0.6	8.2	7.3%
7533 Auto exhaust system repair shops		0.8	1.9	42.1%

7534 Tire retreading and repair shops	0	0	0.0%
7536 Automotive glass replacement shops	0	0.5	0.0%
7537 Automotive transmission repair shops	0	1.2	0.0%
7538 General automotive repair shops	2.1	19.2	10.9%
7539 Automotive repair shops, nec	0.2	0.3	66.7%
7542 Carwashes	1.1	4.5	24.4%
7549 Automotive services, nec	0.9	6.7	13.4%
Total	9.1	54.6	16.7%
7622 Radio and television repair	0.1	1.3	7.7%
7623 Refrigeration service and repair	0	0	0.0%
7629 Electrical repair shops, nec	1.6	3.1	51.6%
7631 Watch, clock, and jewelry repair	0	0.1	0.0%
7641 Reupholstery and furniture repair	0.2	2.2	9.1%
7692 Welding repair	0	0.2	0.0%
7694 Armature rewinding shops	0	0	0.0%
7699 Repair services, nec	3.6	25.1	14.3%
7841 Video tape rental	0	2	0.0%
7933 Bowling centers	0.6	3.6	16.7%
7991 Physical fitness facilities	7.5	11.2	67.0%
7992 Public golf courses	0	11.4	0.0%
7993 Coin-operated amusement devices	0.4	0.8	50.0%
7996 Amusement parks	0.7	1.5	46.7%
7997 Membership sports & recreation clubs	2.2	4.4	50.0%
7999 Amusement and recreation, nec	5.1	23.2	22.0%
8412 Museums and art galleries	2	2.8	71.4%
8422 Botanical and zoological gardens	0	0	0.0%
Total	24.0	92.9	25.8%
Total Non-Retail (SIC<5200)-Adjusted	402.3	1926.1	20.9%
Total Non-Retail (SIC<5200)-Unadjusted	399.6	1926.1	20.7%
Total Retail (SIC>5199)-Adjusted	484.4	2125.8	22.8%
Total Retail (SIC>5199)-Unadjusted	532.7	2125.8	25.1%
Total All SIC-Adjusted	886.7	4051.9	21.9%
Total All SIC-Unadjusted	932.3	4051.9	23.0%

*Figures for City were adjusted

Note:

SIC codes 5411-5499, retail food stores, were included as they some taxable sales

Appendix III—Census Data

NAIC Code Description	Cnty Sales (\$000s)	City Sales (\$000s)	%	Cit Adjuste
44-45 Retail Trade	1,509,765	374,996	24.8%	
441 Motor vehicle & parts dealers	494,401	133,107	27%	71,75
4411 Automobile dealers	445,511	127,321	29%	
4412 Other motor vehicle dealers	28,159		D	
4413 Automotive parts, accessories, & tire stores	20,731	5,786	28%	
442 Furniture & home furnishings stores	26,634	7,104	27%	
4421 Furniture stores	17,033	4,506	26%	
4422 Home furnishings stores	9,601	2,598	27%	
443 Electronics & appliance stores	14,853	1,944	13%	
4431 Electronics & appliance stores	14,853	1,944	13%	
444 Building material & garden equipment	101,497	19,038	19%	
4441 Building material & supplies dealers	89,593	13,849	15%	
4442 Lawn & garden equipment & supplies stores	11,904	5,189	44%	
445 Food & beverage stores	255,727	64,046	25%	
4451 Grocery stores	233,208	D	D	
4452 Specialty food stores	2,806		D	
4453 Beer, wine, & liquor stores	19,713	7,065	36%	
446 Health & personal care stores	75,260	25,140	33%	
4461 Health & personal care stores	75,260	25,140	33%	
447 Gasoline stations	169,205	35,161	21%	
4471 Gasoline stations	169,205	35,161	21%	
448 Clothing & clothing accessories stores	73,777	15,863	22%	
4481 Clothing stores	56,234	9,007	16%	
4482 Shoe stores	10,020		D	
4483 Jewelry, luggage, & leather goods stores	7,523	2,275	30%	
451 Sporting goods, hobby, book, & music stores	38,517	5,718	15%	
4511 Sporting goods, hobby, & music stores	28,978	D	D	
4512 Book, periodical, & music stores	9,539	D	D	
452 General merchandise stores	166,759	D	D	
4521 Department stores (incl leased depts)	123,843		D	
4521 Department stores (excl leased depts)	121,858		D	
4529 Other general merchandise stores	44,901		D	
453 Miscellaneous store retailers	55,194	D	D	
4531 Florists	4,040	1,642	41%	
4532 Office supplies, stationery, & gift stores	20,454	8,893	43%	
4533 Used merchandise stores	2,430	842	35%	

4539 Other miscellaneous store retailers	28,270	D	D
454 Nonstore retailers	37,939	D	D
4543 Direct selling establishments	34,921	D	D
72 Accommodation & foodservices	197,272	87,717	44%
721 Accommodation	40,295	30,927	77%
7211 Traveler accommodation	D	30,927	D
7212 RV parks & recreational camps	3,772		D
7213 Rooming & boarding houses	D		D
722 Foodservices & drinking places	156,977	56,790	36%
7221 Full ~ service restaurants	73,439	26,440	36%
7222 Limited ~ service eating places	52,255	13,448	26%
7223 Special foodservices	23,289	D	D
7224 Drinking places (alcoholic beverages)	7,994	D	D
Overall	1,707,037	462,713	27.1%
Overall (Adjusted)	1,707,037	401,357	23.5%

Note:

1. Overall figures were derived from numbers at the three or four digit NAIC code level depending on data.
2. "D" indicates that data was missing.